



Brownfields Cleanup Revolving Loan Fund Pilot

Kansas Department of Health and Environment

BACKGROUND

Kansas, unlike many heavily industrialized states, has an abundance of undeveloped land that is attractive to developers. Although much of Kansas' historical industrial development occurred in the two large metropolitan areas of Kansas City and Wichita, industries also located in small towns across the state. Many small towns grew up around a major industry and have been adversely impacted by facility closures. Unemployment in the state is three percent, but many of the available jobs are low paying. Almost 11% of the state's residents live in poverty, though up to 19% live below the poverty level in some neighborhoods of the state's major cities. These metropolitan areas have a high percentage of brownfields and are often located in downtown areas where unemployment rates tend to be highest. Kansas City has been designated a federal Enterprise Community.

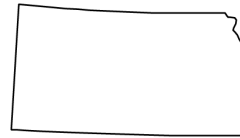
Municipalities throughout the state are making substantial investments in the redevelopment of their historical central cores. However, contamination often is discovered late in a property transaction, which delays or stops such projects. Access to low-interest loans for municipalities and other qualified applicants to conduct cleanups would increase participation in the state Voluntary Cleanup and Property Redevelopment Program.

BCRLF OBJECTIVES

The primary goals of the BCRLF Pilot are to provide qualified applicants with the necessary capital to conduct appropriate cleanups of contaminated properties. It is hoped that successful cleanups conducted with the use of BCRLF loans will encourage private lending institutions to reevaluate their lending policies and provide financial assistance for environmental cleanups.

Properties throughout the state that are contaminated with hazardous substances will be eligible for BCRLF loans.

PILOT SNAPSHOT



State of Kansas

Date of Announcement:
May 2002

Amount: \$1,000,000

BCRLF Target Area:
Municipalities throughout the
State of Kansas

Contacts:

Kansas Department of Health
and Environment
(785) 291-3246

Region 7 Brownfields
Coordinator
(913) 551-7593

Visit the EPA Region 7 Brownfields web site at:
<http://www.epa.gov/region07/brownfields/>

For further information, including specific Pilot contacts,
additional Pilot information, brownfields news and events, and
publications and links, visit the EPA Brownfields web site at:
www.epa.gov/brownfields

Priority will be given to sites in the Enterprise Community and other economically distressed areas of the state. Potential borrowers will be both public and private entities but it is believed that the typical loan will be to municipalities. Many municipalities have acquired properties through foreclosure or land donation only to find that the properties are contaminated.

FUND STRUCTURE AND OPERATIONS

The Kansas Department of Health and Environment is the cooperative agreement recipient and will serve as the lead agency, site manager, and fund manager.

LEVERAGING OTHER RESOURCES

The BCRLF Pilot will be added to Kansas' package of existing financial incentives, which include various state trust funds, Community Development Block Grants, and the federal brownfields tax incentive. A complementary source of funding is the Clean Water State Revolving Loan Fund, which makes funds available to municipalities for cleanup activities when there is a potential to pollute the waters of the state. Other potential federal funding sources include Economic Development Administration grants and HUD Brownfields Economic Development Initiative grants. The U.S. Army Corps of Engineers can assist with community planning. In addition, the BCRLF is expected to stimulate additional financial assistance from private owners and developers.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.